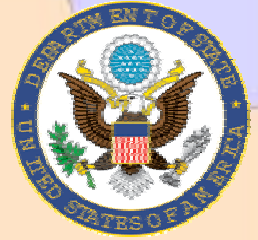


*24 November 2004*



# Iraq Weekly Status Report

**UNCLASSIFIED**

DEPARTMENT  
OF  
STATE



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# Highlights

## Political/Governance

### Sharm el-Sheikh:

- ï 21 countries including the U.S. and Iraqís neighbors met in Sharm el-Sheikh, Egypt and issued a communiqué calling for support for Iraqís elections and overall political transition.
- ï Bahrain announced that it would host a conference involving all Iraqi political groups prior to the January election to help secure the electionís success.

### National Elections:

- ï The International Electoral Commission of Iraq (IECI) announced that elections will take place January 30, 2004.
- ï More than 200 political entities have now registered with the IECI for participation in the elections. Party certifications closed on 22 November.
- ï Voter registration continues in all provinces except Al Anbar; Ninewa, Diyalaí and Salah ad din have experienced some interruptions.
- ï The 18-19 November conference at Lake Dokan in Iraqís Kurdish region produced general agreement that Kurdish parties will run jointly on a national list.
- ï The International Organization for Migration (IOM) will begin to negotiate MOUs with each of the 14 countries designated for Out of Country voting.



# Highlights

## Economic/Essential Services

- i Paris Club creditors reached resolution this past week, agreeing to provide 80% debt reduction for Iraq's external debt.
- i The second Joint Economic Commission will be held in Washington, D.C. in December.

## Telecommunications

- i The Advanced First Responder Network Construction is underway in Baghdad on the National Coordination Center (NCC), the Governorate Dispatch Center (GDC), and the Incident Command Center (ICC).

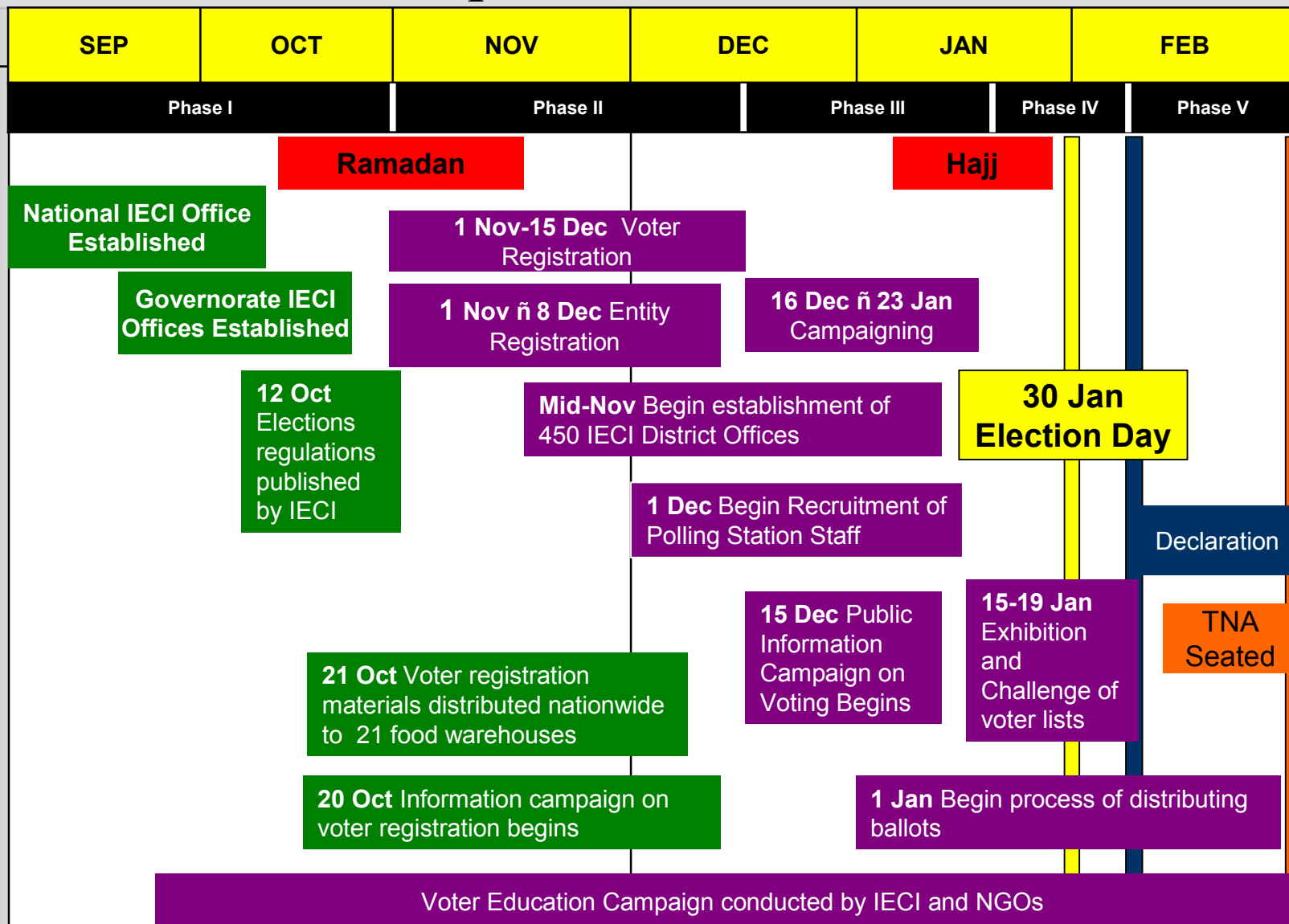
## Public Diplomacy

- i The second "American Corner" resource center was inaugurated at the 30,000 student Basra University. Dubbed the "Freedom Corner" by the University President, this represents a tangible demonstration of American support for Iraqi higher education. The first "American Corner" opened in August at the Suleimaniyya Public Library, and there are 12 more intended for Iraq.



# Governance ñ Iraq Elections Timeline

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# Governance ñ Developments

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## Election Planning Continues:

- ï The IECl extended the deadline for political entity registration from 20 November to 22 November.
- ï The Kurdistan National Assembly (KNA) agreed to make necessary changes to its electoral law so that the IECl can move ahead with issuing regulations on the Kurdish provincial elections.
- ï IECl has issued an open invitation to national and international elections monitors for the 30 January election.
- ï The Iraqi Islamic Party has reversed an earlier decision and announced that it will participate in the elections.
- ï In Mosul, a building holding elections materials was burned down on 19 November. IECl is working to replenish supplies.

## United Nations:

- ï Additional UN elections support staff have arrived from Amman and began work.

## Security:

- ï \$10 million of the UK Department for International Developmentís (DFID) existing allocation to the UN International Reconstruction Fund Facility for Iraq (IRFFI) is providing security support to the IECl Commissioners.



# Governance ñ Developments

## Capacity Building:

- ĩ The USAID announced support to the Iraqi election process through a cooperative agreement to the Consortium for Elections and Political Process (CEPPS), a consortium of three U.S. non-governmental organizations, and a \$40 million grant to the International Foundation for Election Systems (IFES) to support the IECI.
- ĩ With endorsement from the UN, the Italian government is moving forward with training for 85 Iraqi elections officers in Amman.
- ĩ Following the creation of the first coalition of domestic election monitors (CINEM) in October, the National Democratic Institute (NDI) has begun the training of some 90 NGO CINEM members who will themselves train about 5,000 to 8,000 Iraqis to become election monitors.
- ĩ NDI has also created the Election Information Network (EIN), an NGO which will serve as the primary coordinating and information-sharing body for all CINEM members in the months leading up to the election and in future elections.
- ĩ The DFID £5 million Political Participation Fund (PPF) is helping Iraqi civil society organizations to ensure that all groups in Iraq have a voice in the political debate. PPF projects so far include: a student voter education campaign conducted by an Iraqi student society; workshops on womenís rights and the political process; and various human rights events.



# Refugees, Democracy and Human Rights

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## Internally Displaced People (IDP):

- ï Office of US Foreign Disaster Assistance (OFDA) continues to provide much needed supplies to affected IDPs. As crises give way to reconstruction efforts, OFDA will implement transitional activities that directly benefit IDPs while laying the groundwork for full-scale reconstruction activities.
- ï OFDA's first priority is for immediate relief activities targeting both Arab IDPs and Kurdish returnees and for sudden displacement response.
- ï The Ministry of Displacement and Migration, UNHCR, and other responsible agencies have agreed that returns to these areas should be supported.
- ï Water and sanitation are expected to be major concerns in coming weeks as IDPs return.

## Democratic Dialogue:

- ï Approximately 60 lawyers from six northern governorates attended a regional conference to discuss the development of a new constitution. The conference was supported through a \$12,000 grant from Iraqi Transition Initiative (ITI).

## Human Rights:

- ï ITI has assisted several human rights groups, including the Free Prisoners Association and the Lawyers Association, that are compiling lists of the missing, suspected mass grave sites, confirmed victims and documents relating to disappearances.





# Economy

## Oil Update:

Crude Oil prices in world markets for the week ending 12 November closed with Kirkuk Crude at \$32.41/barrel, Basra Light at \$31.15/barrel, and the OPEC basket at \$36.25/barrel.

## Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

| Employing Organization | Iraqis last week | Iraqis this week | % Increase on week |
|------------------------|------------------|------------------|--------------------|
| PCO                    | 13,970           | 24,577           | 43.2%              |
| USAID                  | 28,918           | 30,246           | 4.4%               |
| AIRP                   | 12,100           | 12,000           | -0.8%              |
| MILCON                 | 861              | 237              | -72.5%             |
| CERP                   | 14,400           | 25,813           | 44.2%              |
| MNSTC-I                | 5,618            | 5,618            | 0.0%               |
| IRRF NON-CONSTRUCTION  | 29,278           | 29,734           | 1.5%               |
|                        |                  |                  |                    |
| <b>GRAND TOTAL</b>     | <b>105,145</b>   | <b>128,225</b>   | <b>18.0%</b>       |



## Economy (cont.)

### Iraq Currency and Securities Exchanges:

- ï At the New Iraqi Dinar (NID) auction on 22 November, the settlement price was 1,460 dinars per USD. A total of 18 banks traded with a total purchase value of USD 35,520,000.
- ï The Ministry of Finance (MOF) auctioned ID 150 billion (about \$102.7 million) in T-Bills on 21 November; the settlement yield was 1.2 percent with three banks offering winning bids. The following table shows the results of the past ten T-Bill auctions:

| No. of Auction | Date of Auction | Amount of issue | Term of security (in days) | Maturity Date | Number Competitive Bidders | Winning Bidders | Total Valid Competitive Bids | Total Competitive Awarded | Cover Ratio % | Bid Range yields | Cut Off yield |
|----------------|-----------------|-----------------|----------------------------|---------------|----------------------------|-----------------|------------------------------|---------------------------|---------------|------------------|---------------|
| 1              | 7/18/2004       | 150.000         | 91                         | 10/18/2004    | 14                         | 10              | 154.400                      | 146.780                   | 105.19        | 3.00% - 9.50%    | 6.80%         |
| 2              | 8/1/2004        | 50.000          | 91                         | 11/1/2004     | 10                         | 6               | 100.750                      | 46.340                    | 217.41        | 2.00% - 7.50%    | 5.50%         |
| 3              | 8/15/2004       | 100.020         | 91                         | 11/15/2004    | 10                         | 8               | 162.600                      | 96.850                    | 167.89        | 3.00% - 6.50%    | 5.50%         |
| 4              | 8/29/2004       | 150.010         | 91                         | 11/29/2004    | 9                          | 4               | 178.500                      | 146.560                   | 121.79        | 2.00% - 7.20%    | 5.00%         |
| 5              | 9/12/2004       | 150.020         | 91                         | 12/13/2004    | 7                          | 5               | 228.250                      | 147.520                   | 154.72        | 2.00% - 7.20%    | 4.00%         |
| 6              | 9/26/2004       | 150.000         | 91                         | 12/27/2004    | 7                          | 5               | 316.250                      | 146.500                   | 215.87        | 1.50% - 5.00%    | 3.20%         |
| 7              | 10/10/2004      | 150.020         | 91                         | 1/10/2005     | 8                          | 6               | 289.750                      | 145.270                   | 199.46        | 2.00% - 5.40%    | 3.20%         |
| 8              | 10/24/2004      | 150.030         | 91                         | 1/24/2005     | 10                         | 6               | 350.000                      | 145.030                   | 241.33        | 1.00% - 5.40%    | 2.50%         |
| 9              | 11/7/2004       | 150.010         | 91                         | 2/7/2005      | 12                         | 7               | 437.100                      | 145.510                   | 300.39        | 1.00% - 3.30%    | 1.10%         |
| 10             | 11/21/2004      | 150.010         | 91                         | 2/20/2005     | 5                          | 3               | 281.250                      | 147.010                   | 191.31        | 1.00% - 5.00%    | 1.20%         |



# Economic Development

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## Paris Club Creditors met November 15-19, 2004:

- ï Paris Club creditors reached resolution to provide 80% debt reduction of approximately \$40 billion debt to Paris Club member nations. Iraq has a total of \$120 billion of external debt.
- ï The U.S. Government plans to cancel 100% of Iraqi debt to the U.S. which totals \$4.1 billion.

## 2<sup>nd</sup> Joint Economic Commission (JEC) hosted December 2004:

- ï The second JEC will be held in Washington, D.C. in December 2004 as a follow-up to the inaugural JEC, held in Baghdad in September 2004.
- ï The Joint Economic Commission is a bilateral economic policy meeting between the USG and IIG to discuss economic policy issues including:

ñ Fiscal Policy

ñ Housing Finance

ñ Domestic Subsidies Reform

ñ Legal and Regulatory Reform

ñ Promoting Entrepreneurship

ñ State-Owned Enterprises

ñ Monetary Policy

ñ Revenue and Budget

ñ Banking Supervision and Trade

ñ Agriculture Trade and Credits

ñ Job Creation

ñ Oil Development Policy

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# Essential Services ñ Water and Sanitation

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## Water Treatment Projects:

- ï Expansion of a major water treatment plant serving Baghdad and surrounding areas is approximately 75% complete. This project will produce approximately 250 million gallons of potable drinking water per day for Baghdad residents.
- ï A new training course on the use of the Geographic Information System (GIS) is being developed in preparation for a mapping activity that will be the basis of a master plan for the improvement of sewage services in Baghdad. USAIDís Local Governance Program (LGP) advisors are providing technical assistance.
- ï USAID projects to improve the provision of potable water in the Basrah area are progressing according to schedule.
  - ñ All 14 water treatment plants are substantially complete and are undergoing inspection.
- ï USAIDís new rural water initiative is underway. Since construction began in September 2004, eleven wells have been drilled in Diyalaí and Salah ad Din Governorates.
  - ñ These wells will bring water to rural communities with populations of 1,000 to 5,000.
  - ñ The project, which falls under USAIDís Iraq Infrastructure Reconstruction Program, will install approximately 150 wells in 300 rural communities.



## Essential Services ñ Food Security

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### Public Distribution System (PDS) and MOT-Awarded Contracts:

- ï MOT II (pulses, infant formula, vegetable oil/ghee, tea, infant cereals and adult milk), should meet the needs of the Public Distribution System (PDS) in December and January.
- ï The World Food Program (WFP) has agreed to continue with its pipeline reporting to track estimated arrivals of shipments.
- ï The Ministry of Trade has reported that all Letters of Credit (L/Cs) have now been issued for MOT II and contracts have been amended accordingly. Independently, The Trade Bank of Iraq reports that all but one L/C have been fully funded.
- ï On November 15, the MOT III began awarding contracts to suppliers. MOT III will fulfill February and March 2005 requirements. To date, the MOT is on track for moving forward on MOT III.



## Essential Services ñ Health Care

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### Current Hospital Rehabilitation Projects:

- ï Despite difficult security conditions, the Ministry of Health (MOH) and USAID continue their efforts to re-equip primary healthcare clinics throughout Iraq.
- ï To date, 333 primary healthcare centers have been re-equipped through the Health Systems Strengthening Program; this is more than half of the 600 clinics to be re-equipped upon completion of this program.
- ï These centers received primary healthcare kits containing approximately 60 items of basic medical equipment, office furniture, and laboratory equipment to improve provision of essential health services.



## Essential Services ñ Education

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### Delivery of Student Kits:

- ï More than 120,000 student kits containing essential school supplies have been delivered to students in grades 1-4 at primary schools in Western Baghdad.
- ï Distribution of the kits was implemented by the Ministry of Education and UNICEF which is coordinating a larger \$40 million project to distribute kits to almost six million children.

### Accomplishments to Date:

- ï USAID has awarded 627 grants worth more than \$6 million to rehabilitate schools and equip Directorates General.
- ï Nationwide, 2,405 schools have been rehabilitated, 20 have been newly constructed, and 235 are currently under construction.
- ï USAID completed a nationwide initiative that trained nearly 33,000 secondary school teachers and administrators, including 860 master trainers.
- ï More than 550 students participated in a USAID-sponsored pilot accelerated learning program in five Iraqi cities. This program will allow children not currently enrolled in school to complete two school years in one year's time.

## Essential Services - Telecommunications



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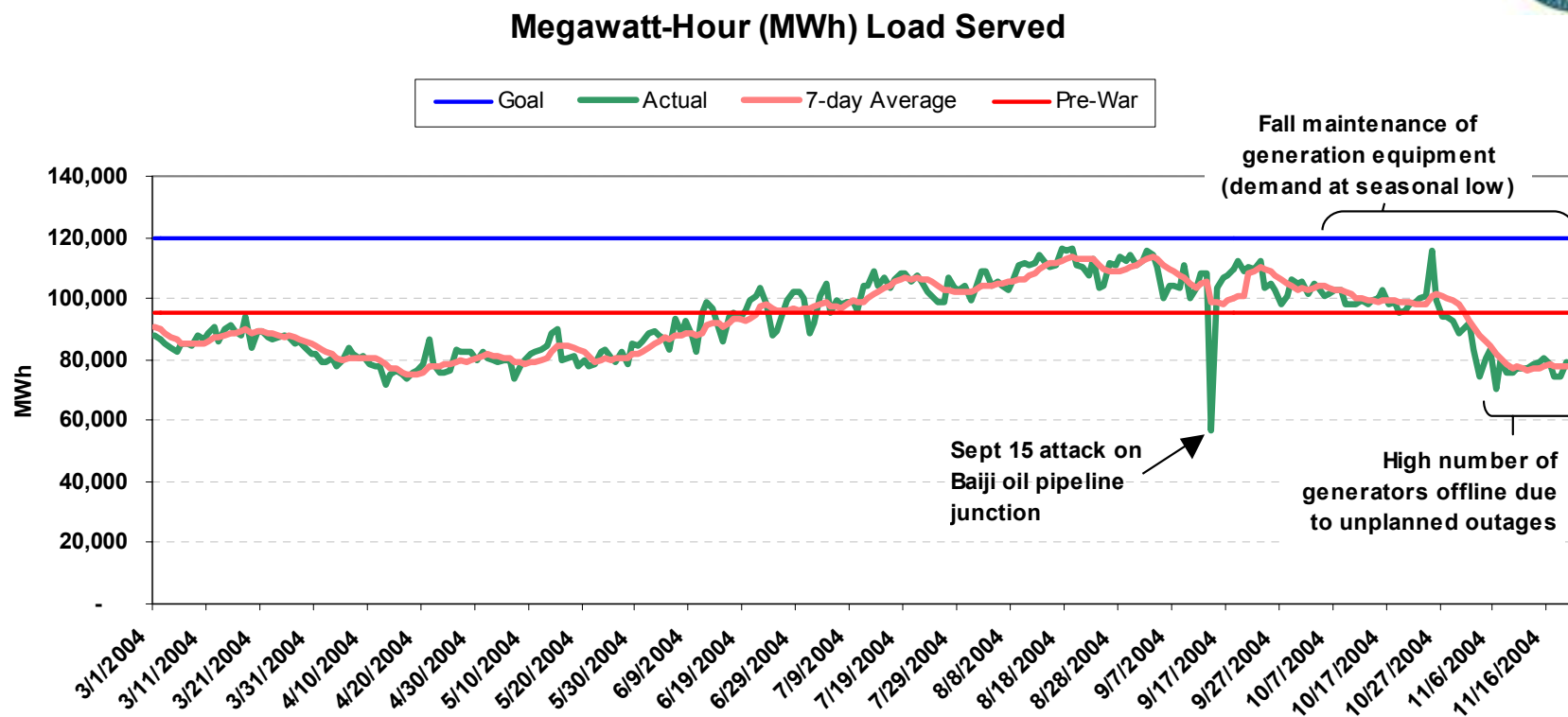
- ï Total number of telephone subscribers in Iraq is now over 2,135,000, including 1,175,000 cell phone subscribers and 960,000 land line subscribers ñ 156% above pre-war levels.
- ï The Advanced First Responder Network Construction is underway in Baghdad on the National Coordination Center (NCC), the Governorate Dispatch Center (GDC), and the Incident Command Center (ICC).
- ï A total of 65 of the 104 HF sites are completed.
- ï The National Communications and Media Commission (NCMC) commenced making arrangements to establish a consumer hotline call center for Iraqna customers, and began preparation for potential proceedings and public hearings on Iraqna service levels.





# Electricity Overview

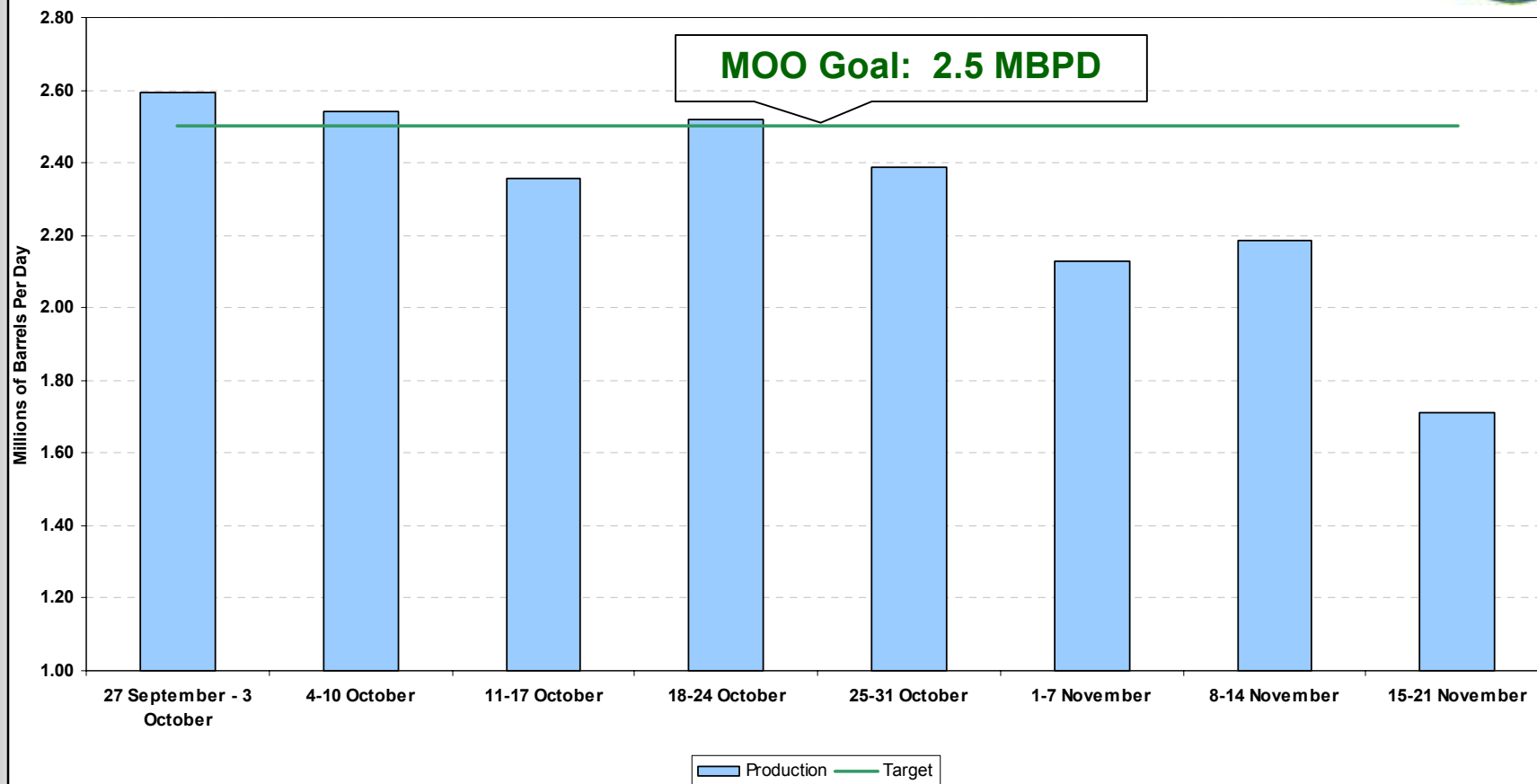
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- ï Approximately 1200 MW of generation capacity was offline due to planned maintenance. Another 1350 MW was offline due to unscheduled maintenance.
- ï Despite the large amount of MW offline due to maintenance, the hours of power have not been significantly impacted (averaging 12 hours nationwide)
- ï 7 Day MWh Average (15-21 Nov): 77,200 MWh.



# Crude Oil Production



ï Weekly Average (15-21 Nov) of 1.711 MBPD

ï Near Term Ministry of Oil (MOO) Target (Dec 04): 2.8 ñ 3.0 MBPD (Pre-War Capacity)

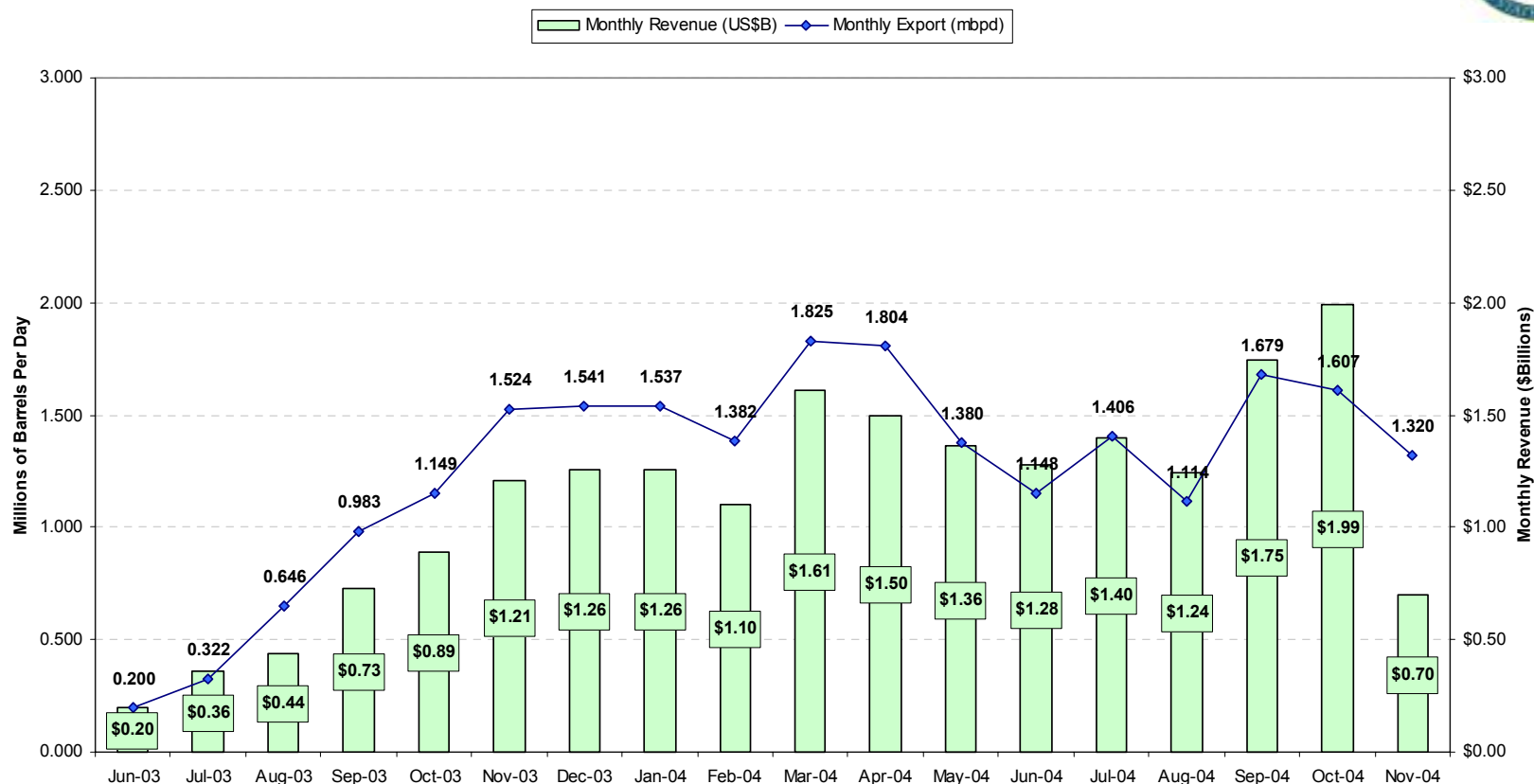
ï Pre-War Peak: 2.5 MBPD in Mar 03

ï Post-War Peak: 2.67 MBPD



# Crude Oil Monthly Export ñ Volume & Revenue

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2003 Revenue: **\$5,076.6M**

2004 Revenue:

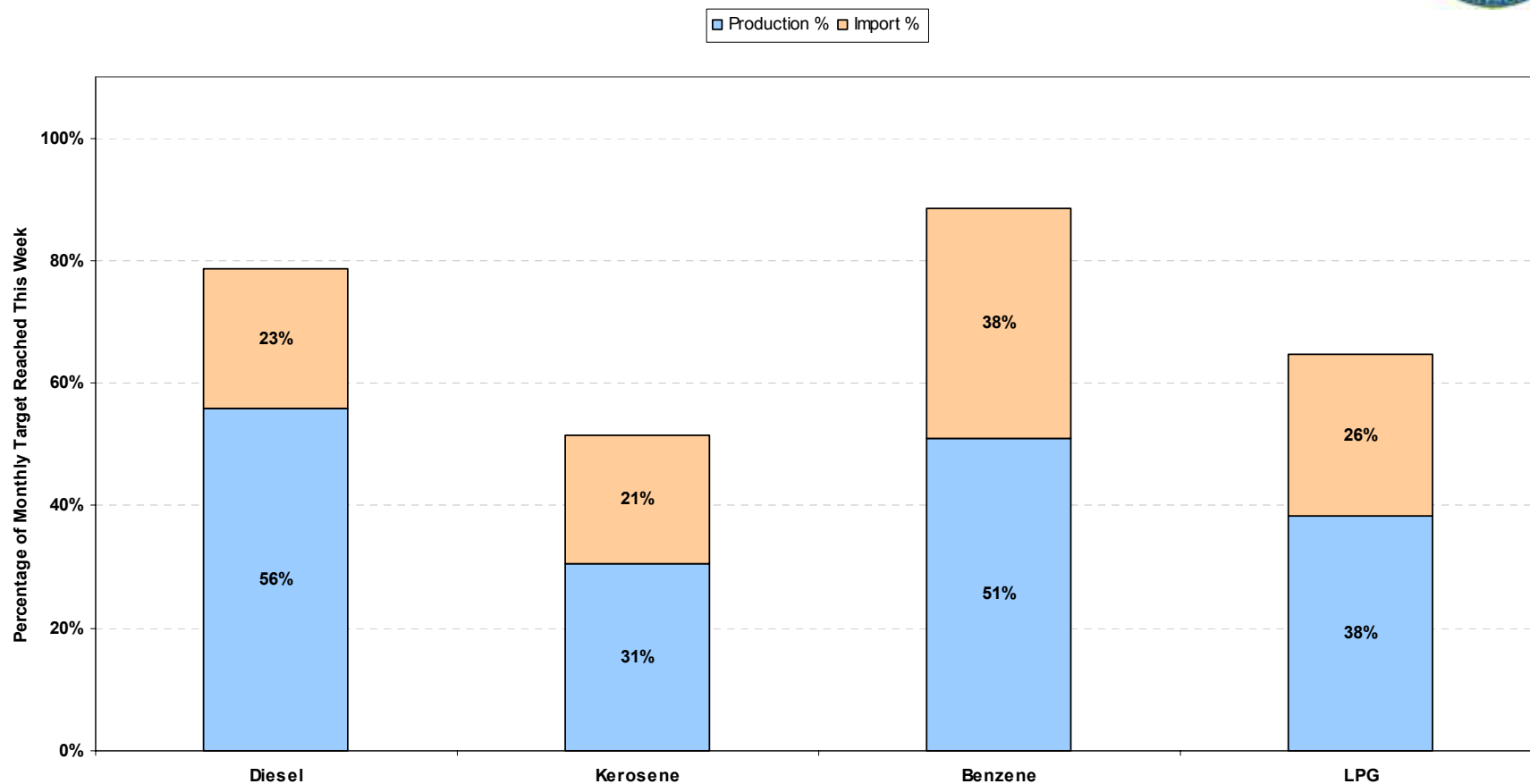
ñ Pre-Transition: **\$8,105.2M**

ñ Post-Transition: **\$7,038.2M**

**\$15,143.4M**



# Refined Products ñ Domestic Production & Imports



Note: This chart represents the percentage of target reached for the week of 15-21 Nov

ï Diesel: 14.2 ML of 18 ML

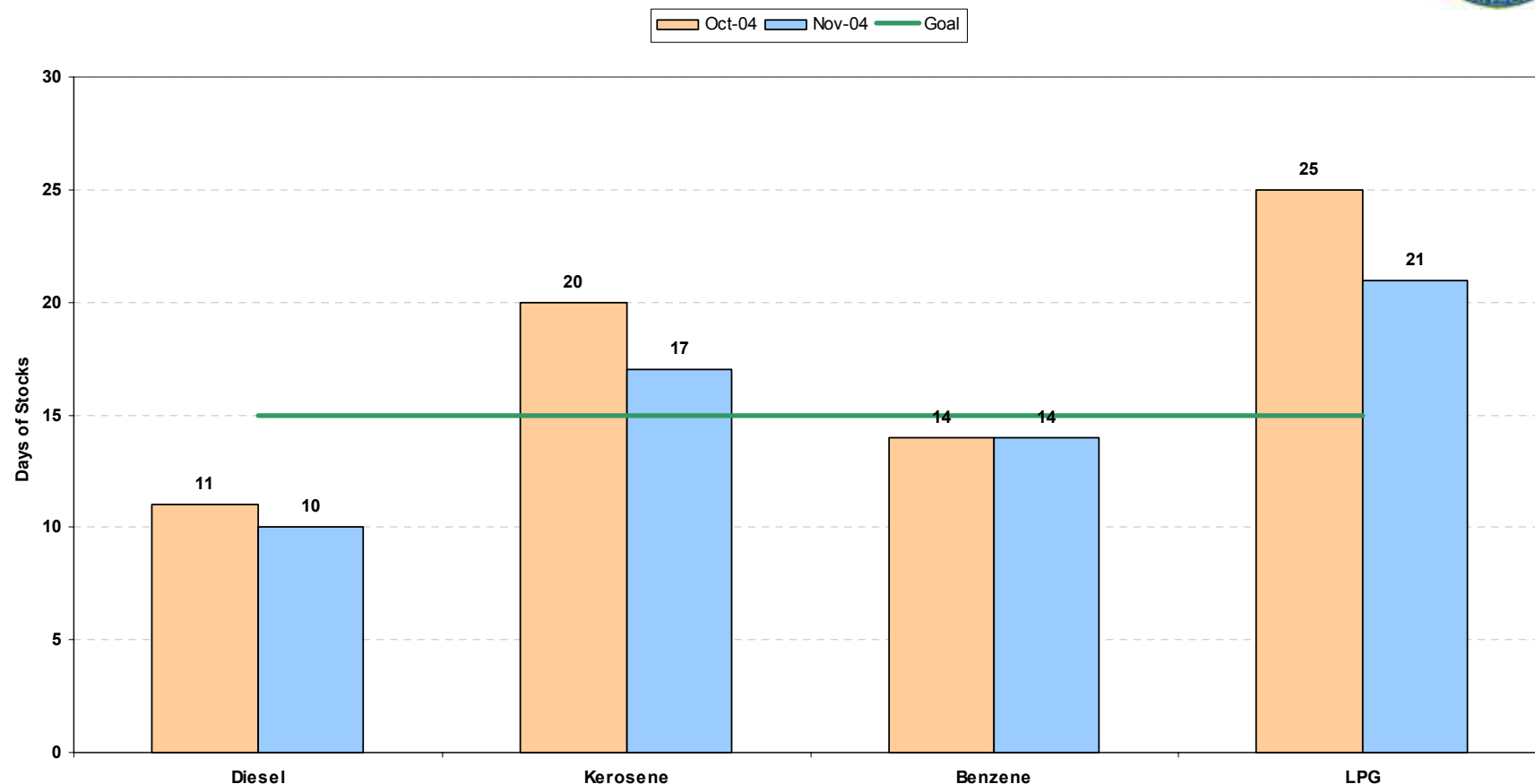
ï Kerosene: 7.7 ML of 15 ML

ï Benzene: 15.9 ML of 18 ML

ï LPG: 2,781 tons of 4,300 tons



# National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



# Iraq Relief and Reconstruction Fund (IRRF) ñ Financial Status

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| Financial Status IRRF I & II                  |             |           | Committed |         | Obligated |         | Disbursed |         |
|---|-------------|-----------|-----------|---------|-----------|---------|-----------|---------|
| Sector  | 2207 Report | Apportion | Last Week | Current | Last Week | Current | Last Week | Current |
| Security and Law Enforcement                  | 5045        | 5045      | 3919      | 4030    | 2865      | 2849    | 883       | 920     |
| Electricity Sector                            | 4350        | 3627      | 3343      | 3481    | 2367      | 2416    | 442       | 477     |
| Oil Infrastructure                            | 1701        | 1701      | 1141      | 1195    | 771       | 786     | 69        | 77      |
| Justice, Public Safety, and Civil Society     | 1121        | 1120      | 836       | 834     | 541       | 574     | 75        | 83      |
| Democracy                                     | 832         | 832       | 474       | 474     | 473       | 474     | 118       | 118     |
| Education, Refugees, Human Rights, Governance | 379         | 379       | 139       | 139     | 136       | 136     | 36        | 36      |
| Roads, Bridges, and Construction              | 359         | 299       | 293       | 296     | 149       | 154     | 23        | 24      |
| Health Care                                   | 786         | 786       | 762       | 780     | 364       | 310     | 5         | 6       |
| Transportation and Communications             | 499         | 443       | 391       | 403     | 201       | 209     | 15        | 17      |
| Water Resources and Sanitation                | 2311        | 1365      | 1292      | 1342    | 862       | 881     | 29        | 33      |
| Private Sector Development                    | 843         | 843       | 155       | 157     | 140       | 200     | 49        | 49      |
| Admin Expense (USAID, State)                  | 213         | 29        | 29        | 29      | 29        | 29      | 29        | 29      |
| IRRF II SUBTOTAL                              | 18439       | 16469     | 12774     | 13160   | 8898      | 9091    | 1773      | 1869    |
| CONSTRUCTION                                  | 11306       | 9336      | 7741      | 8284    | 5171      | 5459    |           |         |
| NON-CONSTRUCTION                              | 6301        | 6301      | 4559      | 4402    | 3254      | 3158    |           |         |
| DEMOCRACY                                     | 832         | 832       | 474       | 474     | 473       | 474     |           |         |
| IRRF I SUBTOTAL                               | 2475        | 2475      | 2475      | 2475    | 2475      | 2475    | 1704      | 1704    |
| GRAND TOTAL IRRF I & II                       | 20914       | 18944     | 15249     | 15635   | 11373     | 11566   | 3477      | 3573    |

Data as of 23 Nov 04

# Justice



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## Justice Sector Updates:

- ï INL Rule of Law Coordinator is planning to attend the UN conference on Rule of Law and Human Rights in Geneva (13&14 Dec).
- ï Planning and program development continue for a comprehensive and sustainable program based on Iraqi priorities.
- ï Current and ongoing programs initiated under CPA are being evaluated and incorporated into the comprehensive strategy.



# Iraqi Security Forces Update

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| <u>Iraqi Security Forces</u>   | <u>Trained/On Hand</u> | <u>Required</u> |
|--------------------------------|------------------------|-----------------|
| Police                         | 47,342                 | 135,000         |
| Civil Intervention Force       | 1,091                  | 3,720           |
| Emergency Response Unit        | 168                    | 270             |
| Border Enforcement             | 14,593                 | 29,360          |
| Highway Patrol                 | 370                    | 1,500           |
| Bureau of Dignitary Protection | 484                    | 500             |
| Army                           | 3,887                  | 27,000          |
| National Guard                 | 43,445                 | 61,904          |
| Intervention Force             | 1,816                  | 6,584           |
| Special Operations Force       | 590                    | 1,967           |
| Air Force                      | 167                    | 502             |
| <u>Coastal Defense Force</u>   | <u>409</u>             | <u>582</u>      |
| Total                          | *114,362               | 268,889         |

\* The military forces continue to receive advanced unit training.





# Stability Contributors ñ OIF

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## Countries with forces in Iraq (in addition to US)

|            |             |            |             |          |
|------------|-------------|------------|-------------|----------|
| Albania    | El Salvador | Kazakhstan | Mongolia    | Slovakia |
| Australia  | Estonia     | Korea      | Netherlands | Tonga    |
| Azerbaijan | Georgia     | Latvia     | Norway      | Ukraine  |
| Bulgaria   | Hungary     | Lithuania  | Poland      | UK       |
| Czech Rep  | Italy       | Macedonia  | Portugal    |          |
| Denmark    | Japan       | Moldova    | Romania     |          |

**TOTAL ~ 25,000 Forces**

## 29 Countries and NATO

(including US)

**Support Iraqi Stability Operations**

# Iraq Weekly Status ñ General Information



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- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) [NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov) or (classified) [NEA-I-IPOG-DL@state.sgov.gov](mailto:NEA-I-IPOG-DL@state.sgov.gov)